

Message Text

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ACTION H-03

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FM AMEMBASSY MADRID

TO AMEMBASSY BERN IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

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UNCLAS MADRID 5701

E.O. 11652: N/A

TAGS: EFIN, ECON, SP

SUBJ: CODEL ST. GERMAIN REQUEST FOR FINANCIAL/
ECONOMIC INFORMATION

REF: BERN 3345

1. FOLLOWING IS REQUESTED DATA FOR SPAIN KEYED TO
LETTERED PARAS IN REFTEL. ALL MONETARY DATA CONVERETED TO
DOLLARS AT RATE OF \$1 EQUALS 57.78 PESETAS FOR 1974 AND \$1
EQUALS 56.07 PESETAS FOR 1975.

A. GROSS NATIONAL PRODUCT (1974 IN CURRENT PRICES) -
\$74.6 MILLION. ESTIMATE FOR 1975 IS AN INCREASE OF ABOUT
2 PERCENT.

B. NATIONAL BUDGET EXPENDITURES. 1974 EXPENDITURES OF CENTRAL
GOVERNMENT WERE \$10.2 BILLION. INITIAL
ESTIMATE FOR ALL 1975 IS \$11.7 BILLION. EXPENDITURES THROUGH
MAY 1975 WERE \$4R BILLION.

C. BUDGET DEFICIT. \$321 MILLION FOR 1974, \$43.7
MILLION THROUGH MAY 1975.

D. TOTAL NATIONAL DEBT. \$7.05 BILLION AT END 1974 OF WHICH
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\$2.5 BILLION WAS EXTERNAL DEBT.

E. BALANCE OF TRADE. 1974 DEFICIT OF \$8.3 BILLION.
DEFICIT THROUGH JUNE 1975 WAS \$4.7 BILLION.

F. ANNUAL RATE OF INFLATION. INCREASE IN OFFICIAL COST OF
LIVING INDEX 17.0 PERCENT FOR 1974. ANNUAL RATE THROUGH
JUNE 1975 OF 17 PERCENT.

G. COST OF LIVING SPECIFICS:

1. GASOLINE - \$1.40 PER U.S. GALLON
2. HOME MORTGAGE INTEREST RATE - 8 PERCENT
3. CONSUMER CREDIT INTEREST RATE - 1.2 PERCENT PER
MONTH ON UNPAID BALANCE.

H. WAGE AND PRICE CONTROL PROGRAMS. DECREE LAW OF
APRIL 7, 1975, ESTABLISHED COMPREHENSIVE CONTROL ON ALL PRICES
BY GOVERNMENT PRICE BOARD. AT SAME TIME, SALARY INCREASES
LIMITED TO 3 PERCENT IN EXCESS COST OF LIVING.

I. RATE OF UNEMPLOYMENT. OFFICIALLY 1.9 PERCENT FOR 1974,
2.2 PERCENT THROUGH JUNE 1975.

J. PRIME INTEREST RATE. 8.5 PERCENT BASE RATE FOR BANK
LENDING TO BEST CUSTOMERS.

K. TAXES. 1975 BUDGET SHOWS PRINCIPAL SOURCES OF GOVERNMENT
REVENUE AS FOLLOWS:

A. PERSONAL INCOME TAX - 19 PERCENT (FROM RATES RANGING
FROM 15 TO 56 PERCENT OF TAXABLE INCOME).

2. CORPORATE INCOME TAX - 10.3 PERCENT (FROM BASIC RATE OF
30 PERCENT).

3. BUSINESS ACTIVITY AND PROPERTY TRANSFER TAX - 34.3
PERCENT

4. TARIFFS - 7.5 PERCENT

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5. LUXURY TAX - 13.8 PERCENT.

6. OTHER TAXES - 3.1 PERCENT.

7. REVENUE FROM GOVERNMENT OPERATIONS - 12 PERCENT.
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